



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

BOARD OF SUPERVISORS

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June 17, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF THIRD-PARTY RESOURCES IDENTIFICATION AND RECOVERY  
SERVICES AGREEMENT- CONTRACT NO. H-210552 -  
AMENDMENT NO. 4 WITH USCB, INC.  
(Second and Fourth Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 4 to the Third-Party Resource Identification and Recovery Services Agreement with USCB, Inc. (USCB), Contract No. H-210552, substantially similar to Exhibit I, to add a Health Care Plan and Commercial Insurance Billing Services provision to process outpatient accounts for Martin Luther King, Jr./Drew University (King/Drew) Medical Center and Rancho Los Amigos National Rehabilitation Center (RLANRC) and other Department of Health Services (DHS or Department) facilities as mutually agreed to, effective on the date of Board approval through June 30, 2006.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving the recommended action, the Board is authorizing the Director of Health Services, or his designee, to sign Amendment No. 4 to the Third-Party Resource Identification and Recovery Services Agreement with USCB, Contract No. H-210552, to add a Health Care Plan and Commercial Insurance Billing Services (HCPCIBS) provision. Based on USCB's success rate in realizing revenue from unpaid health care plan (i.e., HMO, PHP, Medi-Cal linked, etc.) and commercial insurance accounts that have been referred to USCB after being billed by the DHS' primary HCPCIBS contractor Accordis, Inc. (Accordis), DHS has concluded that USCB can also perform HCPCIBS effectively to maximize collection of health care plan and commercial insurance account revenue. In addition, USCB's

contingency rate fee charged the Department for the provision of HCPCIBS is 1.1% lower than the fee charged by Accordis.

As part of the Department's Strategic Planning and Revenue Strategies and the need to improve collections at King/Drew Medical Center and RLANRC, this action expands the HCPCIBS efforts of the Department to two agencies.

FISCAL IMPACT/FINANCING:

Based on the current census and patient mix, HCPCIBS at King/Drew Medical Center and RLANRC are estimated to generate \$1.9 million in gross outpatient health care plan and commercial insurance revenue annually, of which USCB will be paid a contingency fee based solely on the amount of the revenue actually received by the Department as a result of these services. USCB's contingency fee percentage is 5.9% of collections, or approximately \$112,000 annually, entirely offset by the revenue collected. Therefore, there is no net County cost associated with this amendment.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On June 1, 1999, the Board approved an "Agreement for Third-Party Resource Identification and Recovery Services" (Agreement), with USCB through June 30, 2003.

On February 12, 2002, the Board approved Amendment No.1 to the Agreement with USCB adding a provision to exclude Medi-Cal cost reporting settlements from being a basis on which USCB is paid.

On April 1, 2003, the Board approved Amendment No. 2 to the Agreement to extend the term through June 30, 2006, and add a provision for USCB to provide Medicare Bad Debt Recovery Services at County Facilities.

On January 7, 2003, the Board approved the Chief Administrative Offices's recommendation for the inclusion of Business Associate Health Insurance Portability and Accountability Act of 1996 (HIPAA) language in all current and future suitable County agreements. On March 18, 2003, USCB and the DHS agreed to execute Amendment No. 3 to add a provision for Contractor's Obligations as a Business Associate under HIPAA.

Amendment No. 4 will also amend Child Support Compliance Program and Contractor Responsibility and Debarment provisions, add language to allow the Director to negotiate new contingency fee rates over the term of the Agreement limited to a maximum of 7% of the health care plan and commercial insurance revenue received as a result of HCPCIBS. The provision of "No Payment for Services Provided Following Expiration/Termination of Agreement" has not been added, because the nature of the services provided and its related payment mechanism are not applicable to this type of agreement.

Under current contract provisions, Accordis acknowledges that it is not necessarily the exclusive provider of HCPCIBS and that County may enter into contracts with other providers.

Attachment A provides additional information.

The Honorable Board of Supervisors  
June 17, 2004  
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County Counsel has approved the Amendment (Exhibit I) as to form.

CONTRACTING PROCESS:

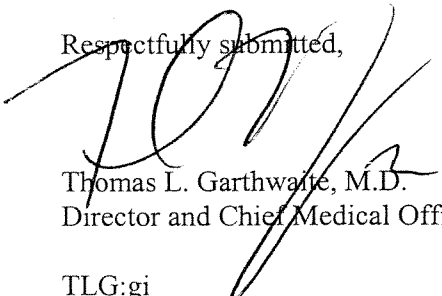
Not applicable. Amendments are not advertised on the L.A. County Online Countywide Web Site as a business opportunity.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the attached Amendment will ensure the continued and uninterrupted provision of HCPCIBS services, and will enable DHS to receive additional revenue for Fiscal Year (FY) 2004-05 through FY 2005-06.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:gi

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

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**SUMMARY OF AMENDMENT**

1. TYPE OF SERVICE:

Revenue program to bill and collect unpaid comprehensive health care plan (i.e., HMO, PHP, Medi-Cal Linked, etc.) and commercial insurance patient accounts.

2. CONTRACTOR ADDRESS AND CONTACT PERSON:

USCB, Inc.  
125 South Vermont Avenue  
Los Angeles, California 90004  
Attention: Mr. Thomas L. Isgrigg  
Vice President  
Telephone/Facsimile Number: (213) 387-6181/(213) 739-7763  
Electronic Mail Address: uscbinc.com

3. TERM:

Effective on the date of Board approval through June 30, 2006.

4. FINANCIAL INFORMATION:

Based on the current census and patient mix, HCPCIBS at Martin Luther King, Jr./Drew University (King/Drew) Medical Center and Rancho Los Amigos National Rehabilitation Center (RLANRC) are estimated to generate \$1.9 million in gross outpatient health care plan and commercial insurance revenue annually, of which USCB will be paid a contingency fee based solely on the amount of the revenue actually received by the Department as a result of these services. USCB's contingency fee percentage is 5.9% of collections, or approximately \$112,000 annually, entirely offset by the revenue collected. Therefore, there is no net County cost associated with this amendment.

5. GEOGRAPHIC AREA:

Second and Fourth Supervisorial Districts

6. MONITORING:

Patricia Adams, Division Head, Revenue Management.

7. APPROVALS

Executive Office: Fred Leaf, Chief Operating Officer

Revenue Services: Lawrence Gatton, Chief

Office of the Director of Finance: Gary W. Wells, Director

Contracts and Grants Division: Irene E. Riley, Director, Contract Administration

County Counsel (approval as to form): Leela A. Kapur, Assistant County Counsel

**EXHIBIT I**

Contract No. H210552-4

THIRD-PARTY RESOURCE IDENTIFICATION AND RECOVERY SERVICES  
AGREEMENT

AMENDMENT NO. 4

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2004,

by and between

COUNTY OF LOS ANGELES (here-  
after "County"),

and

USCB, INC. (hereafter  
"Contractor").

WHEREAS, reference is made to that certain document entitled  
"AGREEMENT FOR THIRD-PARTY RESOURCE IDENTIFICATION AND RECOVERY  
SERVICES", dated June 1, 1999, and further identified as County  
Agreement No. H210552, and Amendment Nos. 1 through 3 thereto  
(all hereafter "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend  
Agreement to correct the agreement title, correct amendment  
number designation, add a new Health Care Plan and Commercial  
Insurance Billing Services ("HCPICBS") provision, and to make  
other hereafter described changes; and

WHEREAS, said Agreement provides that changes may be made in  
the form of a written amendment which is formally approved and  
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall be effective on the date of approval by the County's Board of Supervisors ("Board").

2. Agreement shall be amended to correct the title from "Agreement for Third-Party Resources Identification and Recovery Services" to "Third-Party Resources Identification and Recovery Services Agreement".

3. Amendment No. 1 of Agreement as executed by the parties and entered into on March 18, 2003, is hereby redesignated as Amendment No. 3, effective January 7, 2003.

4. Paragraph 55, CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, shall be amended to read as follows:

"55. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contracts are in compliance with their court ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting

Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the federal Social Security Act (42 U.S.C. section 653a) and California Unemployment Insurance Code section 1088.55, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure section 706.031 and Family Code section 5246(b)."

5. Paragraph 56, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, shall be amended to read as follows:

"56. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in the Contractor's Warranty of Adherence to County's Child Support Compliance Program Paragraph immediately above, shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other

provision of this Agreement, failure of Contractor to cure such default within ninety (90) calendar days of written notice by County shall be grounds upon which County may terminate this Agreement pursuant to Termination for Default Paragraph of this Agreement and pursue debarment of Contractor pursuant to County Code Chapter 2.202."

6. Paragraph 68, CONTRACTOR RESPONSIBILITY AND DEBARMENT, shall be amended to read as follows:

"68. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor under this Agreement, or other contracts, which indicates that Contractor is not responsible, County may or otherwise in addition to other remedies provided under this Agreement, debar Contractor from bidding on County contracts for a specified period of



time not to exceed three (3) years, and terminate this Agreement and any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of this Agreement or other contract with County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness, or capacity to perform a contract with County or any public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, Director will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before County's Contractor Hearing Board.

E. County's Contractor Hearing Board will conduct a hearing where evidence on proposed debarment is

presented. Contractor or Contractor's representative, or both, shall be given an opportunity to submit evidence at that hearing. After the hearing, County's Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and if so, the appropriate length of time of the debarment. If Contractor fails to avail itself of the opportunity to submit evidence to County's Contractor Hearing Board, Contractor shall be deemed to have waived all rights of appeal.

F. A record of the hearing, the proposed decision, and any other recommendation of County's Contractor Hearing Board shall be presented to County's Board of Supervisors. County's Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of County's Contractor Hearing Board.

G. These terms shall also apply to any subcontractors of Contractor, vendor, or principal owner of Contractor, as defined in Chapter 2.202 of the County Code."

7. Subparagraph D, shall be added to Exhibit A, Statement of Work, Paragraph 4, of Agreement as follows:

"D. At Director's request and upon Contractor's concurrence, Contractor shall provide Health Care Plan and Commercial Insurance Billing Services ("HCPCIBS") to process the outpatient accounts of Martin Luther King, Jr./Charles R. Drew University ("King/Drew") Medical Center, and Rancho Los Amigos National Rehabilitation Center ("RLANRC"), and other DHS Facilities as mutually agreed to, to assist County in improving DHS Health Care Plan and Commercial Insurance collections."

8. Subparagraph C, shall be added to Exhibit A, Statement of Work, Paragraph 5, of Agreement as follows:

"C. Contractor in agreeing to provide HCPCIBS shall perform such services in accordance with the following individual tasks and general service requirements as described hereinbelow:

(1) Contractor shall provide health care plan (i.e., HMO, PHP, Medi-Cal linked, etc.) and commercial insurance billing and follow-up services for referred outpatient accounts, including denial reprocessing, using automated systems where available and appropriate, or as requested by Director.

(2) Contractor shall readily accept County's patient admission, eligibility, financial, and/or other data in various formats as determined by Director.

(3) Contractor shall develop third-party claims that are payable by the applicable health care plan or commercial insurance carrier in a electronic (computer) format where available and appropriate.

(4) Contractor shall request patient medical records, billing instructions, and/or other data needed to develop valid claims from Facilities.

(5) Contractor shall submit claims to the appropriate health care plan and commercial insurer to process claim.

(6) Contractor shall provide follow-up services for denied claims and pursue third-party payments until an account is determined to be uncollectible by Director.

(7) Contractor shall provide, develop, and maintain an electronic database to accumulate patient financial data, charge information, billing statistics, payment information, and other data as necessary, or required by Director, for HCPCIBS reporting purposes. Contractor shall allow County staff designated by

Director access to Contractor's electronic data base for inquiries and other reporting purposes as otherwise required by Director.

(8) Contractor shall post, or assist in posting of, payments (preferably electronically) to all applicable Facility account receivable systems, as may be required by Director.

(9) Contractor shall return accounts to County that have been billed, but are unadjudicated two hundred seventy (270) calendar days after the last billing, except as otherwise instructed by Director. Contractor shall return all supporting documentation, including but not limited to, billing instructions, medical records, correspondence and explanation of benefits, etc., to Director upon return of the account.

(10) Contractor shall return accounts that are unbilled within one hundred fifty (150) calendar days after Contractor initially received the account from County, except as otherwise instructed by Director. Contractor shall return all supporting documentation, including but not limited to, billing instructions, medical records, correspondence and explanation of benefits, etc., to Director upon return of the account

(11) Contractor shall provide all equipment, supplies, and computer terminals (including but not limited to, computer memory, controllers, on-line storage devices, printers, and processors) and personnel require to provide services herein.

Contractor shall ensure that sufficient work stations are placed at Facilities and that equipment is in a County approved location."

9. Subparagraph H, shall be added to Exhibit A, Statement of Work, Paragraph 7, of Agreement as follows:

"H. The aggregate contingent fee payable to Contractor with respect to health care plan and commercial insurance payments received by County as a consequence of this Exhibit A, Statement of Work, Paragraph 5.C, shall be negotiated by Director and Contractor, but shall not be greater than seven percent (7%) of health care plan and commercial insurance payment received by County from HCPCIBS."

10. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Thomas L. Garthwaite, M.D.  
Director and Chief Medical  
Officer

USCB, INC. \_\_\_\_\_  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Irene E. Riley, Director  
Contract Administration

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ThirdParty.GI